

## Message Text

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ACTION AF-18

INFO OCT-01 EA-11 ADP-00 CIAE-00 DODE-00 INR-10 NSAE-00

PA-03 RSC-01 USIA-12 PRS-01 INT-08 AID-20 COME-00

EB-11 FRB-02 TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06

SIL-01 OMB-01 NSC-10 SS-15 STR-08 CEA-02 L-03 H-02

IO-12 RSR-01 EUR-25 /205 W  
----- 003036

R 080956 Z MAY 73  
FM AMEMBASSY TOKYO  
TO SECSTATE WASHDC 3668  
INFO AMEMBASSY ABIDJAN  
AMEMBASSY CONAKRY  
AMEMBASSY MONROVIA

LIMITED OFFICIAL USE TOKYO 5633

E. O. 11652: N/A

TAGS: EMIN, ETRN, JA, GV, LI

SUBJECT: JAPANESE INTEREST IN WEST AFRICAN IRON ORE RESOURCES

REF: A) TOKYO 5452

B) TOKYO 5232

C) MONROVIA 1698

SUMMARY. IN MEETING WITH EMBOFF, NICHIMEN EXECUTIVES, SUGGESTED THAT JAPANESE STEEL FIRMS MIGHT BE TAKING GREATER INTEREST IN WEST AFRICAN IRON ORE RESOURCES AS THEY LOOK TO FUTURE NEEDS. THEY ALSO REITERATED DESIRABILITY OF PARTICIPATION OF U. S. STEEL IN MIFERGUI- NIMBA PROJECT. END SUMMARY.

1. DURING COURSE DISCUSSION WITH EMBOFF ON MIFERGUI- NIMBA PROJECT ( REF A), SUGGESTED THAT EMBOFF MIGHT WISH DISCUSS SUBJECT FURTHER WITH NAGAI, SUB- MANAGER, IRON AND STEEL MATERIALS OF SAME COMPANY, SINCE NAGAI BETTER INFORMED ON PROJECT. ( MURAKAMI  
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HAD ONLY PARTICIPATED SINCE LAST OCTOBER ON RETURN TO TOKYO FROM OVERSEAS POSTINGS.) EMBOFF ARRANGED APPOINTMENT AND FOUND ON ARRIVAL MAJIMA, MANAGING DIRECTOR; OSAME, MANAGER, IRON AND STEEL MATERIALS; AND KIMURA, MANAGER, IRON ORE SECTION. ALL HAVE BEEN INTIMATELY INVOLVED WITH PROJECT OVER SOME YEARS.

2. DISCUSSION MIFERGUI- NIMBA FOLLOWED REF A IN OUTLINE. EMBOFF ATTEMPTED TO SEEK VIEWS OF NICHIMEN EXECUTIVES OF ATTRACTION OF NIMBA RELATIVE TO SIMANDOU AND LIBERIAN RESOURCES AND ON ATTITUDE OF JAPANESE STEEL MILLS' THINKING TOWARD WEST AFRICAN RESOURCES. THEIR COMMENTS WERE BROAD IN SUBSTANCE AND POSITIVE IN TONE.

3. THEY PORTRAYED NIMBA- SIMANDOU RESOURCE AS ONE OF THREE MOST ATTRACTIVE RESOURCES AVAILABLE IN WORLD. WHILE GUINEA HAD HISTORY OF POLITICAL INSTABILITY, THEY BELIEVED THAT PRESENT COURSE OF GOVERNMENT IN MORE MODERATE POLICIES WOULD CONTINUE AND CITED BOKE BAUXITE PROJECT AS EVIDENCE OF CONFIDENCE OF FOREIGN INVESTORS AND IBRD IN GUINEAN FUTURE. ALSO CITED DEVELOPMENT OF BOKE PROJECT FROM SMALL JOINT VENTURE BETWEEN GOG AND HARVEY ALUMINUM INTO PRESENT LARGE- SCALE MULTINATIONAL PROJECT AS PROBABLE MODEL FOR MIFERGUI- NIMBA, THE SEED FOR THE LATTER HAVING BEEN PLANTED AT APRIL 5 MEETING.

4. IN RESPECT JAPANESE STEEL FIRMS' INTEREST IN WEST AFRICA, DESPITE RECENT REJECTION BY THESE FIRMS OF COMMITMENT TO MIFERGUI- NIMBA, THEY WERE INCLINED TO SEE GROWING JAPANESE INTEREST IN WEST AFRICA. THEY SAID THAT RECENT DEVELOPMENTS IN AUSTRALIA, WHICH SUPPLIES 45 TO 50 PERCENT OF JAPAN' S IRON ORE, HAD LEAD TO DECISION ON PART OF JAPANESE COMPANIES NOT TO INCREASE DEPENDENCE ON THAT COUNTRY. DEVELOPMENTS MENTIONED WERE INCREASING RESTRICTIONS ON PART NEW LABOUR GOVERNMENT AND LABOR DISRUPTIONS OF WORK. RECENT NEGOTIATIONS ON PRICE INCREASES, AS RESULT EXCHANGE RATE CHANGES, THEY SAID, WERE NOT A FACTOR. JAPANESE FIRMS' LONG- TERM CONTRACTS TOOK CARE OF JAPAN' S NEEDS FOR IMMEDIATE FUTURE, BUT FIRMS MUST LOOK TO DEVELOPING NEW RESOURCES TO BEGIN TO FLOW TOWARD END OF DECADE. DIRECT QUESTIONS ON INTENTIONS OF PRESENT JAPANESE STEEL MISSION IN LIBERIA DID NOT ELICIT SPECIFIC ANSWERS BUT GENERAL COMMENTS ALONG LINES THIS PARAGRAPH.

5. THEY EXPRESSED CONSIDERABLE INTEREST IN ATTITUDE OF U. S. STEEL TOWARD MIFERGUI- NIMBA. EMBOFF TOLD THEM HE DID NOT HAVE LIMITED OFFICIAL USE

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INFORMATION ON THIS POINT. THEY IMPLIED THAT NICHIMEN MIGHT SEND OFFICIAL TO U. S. FOR FURTHER DISCUSSIONS WITH U. S. STEEL. AS EMBASSY REPORTED IN REF A, PARA 8, THEY WARMLY WELCOMED POSSIBLE U. S. PARTICIPATION IN PROJECT. NICHIMEN EXECUTIVES SAID THEY HOPED USG OFFICIALS, IF OPPORTUNITY AROSE, WOULD RELAY THEIR INTEREST TO U. S. STEEL.

INGERSOLL

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